



**DEFENSE LOGISTICS AGENCY
HEADQUARTERS
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IN REPLY
REFER TO

DLMSO

September 25, 2006

MEMORANDUM FOR NAVAL SUPPLY SYSTEMS COMMAND (NAVSUP CODE C10-7)
(NAVSUP CODE 421)
NAVAL SUPPLY INFORMATION SYSTEMS ACTIVITY
(NAVSISA CODE 962)

SUBJECT: Minutes of the Navy Carcass Tracking Meeting

Attached are the final minutes of the Navy Carcass Tracking meeting held at the DLA Headquarters Complex on Monday, September 11, 2006. The attached minutes include actions along with a list of attendees. Request action items be completed within 45 days.

Addressees may direct questions to the Defense Logistics Management Standards Office point of contact, Ms. Ellen Hilert, 703-767-0676, DSN: 427-0676, or e-mail: Ellen.Hilert@dla.mil or Ms. Brenda Meadows, 703-767-6986, DSN: 427-6986, or e-mail: Brenda.meadows.ctr@dla.mil.

A handwritten signature in black ink, appearing to read "Donald C. Pipp".

DONALD C. PIPP
Director
Defense Logistics Management
Standards Office

Attachment

Minutes of Navy Carcass Tracking Meeting
September 11, 2006
DLA Headquarters Complex

Summary of discussion, action items, and a list attendees follow:

1. Key points regarding how the Navy carcass tracking process works today:

a. This is an intra-Navy process; however, the Marine Corps Aviation community uses the identical process and systems.

b. Two-Price System: Within this process there are two prices; the standard price, e.g., replacement price and the net price, e.g., the repair price, or how much it would cost to get the Depot Level Repairable (DLR) into working condition. The difference between the two prices is the carcass price. The carcass price plus the net price is the replacement (or standard) price.

c. The way a customer requisitions an item determines the charge for the new DLR (specific 5-series advice codes apply). The Carcass Tracking process assumes a turn-in of a Supply Condition Code (SCC) F (needs repair) DLR, so the initial charge is the **net** price. This information is loaded into the Navy's carcass tracking file. If the customer fails to send the SCC F asset, this process causes an adjustment to the financial records which triggers both (1) a notification to the customer that he will be billed again, this time at the **carcass** price, and (2) which triggers a subsequent bill.

d. Neither the IUID nor RFID information is currently contained in the internal Navy process. This process uses the National Item Identification Number (NIIN), the 14-digit document number, and on some transactions, a serial number. The unique item identifier (UII) will be added to the PDC for a future enhancement.

e. The Navy's R-Supply system, currently on the table for Jump-Start (MILS to DLMS conversion) money, uses all internal BK_ series carcass tracking transactions. R-Supply is used by large ships, for example aircraft carriers and air stations for inventory management.

f. Carcass tracking is triggered by either a D7_ issue transaction or an A0_ requisition (with identified advice codes). If the material can be provided locally, e.g., via ship board stocks, etc., the D7_ starts the process. If the material cannot be provided locally, an actual requisition starts the process. These transactions carry specific advice codes relating to the process, e.g., advice code 5G meaning 1 for 1 exchange.

g. The D7_ always comes from the issuing activity, back to the Inventory Control Point, to reduce the on-hand balance, and triggers the net price charge. Stock replenishments are automatically pre-positioned at no charge.

h. The Navy uses the D6R (MILSTRAP – Material Receipt – Other than Procurement Instrument Source (Exchange Item)) transaction for other than its intended purpose. The Navy also uses the transaction as the notification of a shipped asset in the carcass tracking process. As programmed in the Navy's systems, this D6R is not considered a receipt, and has no impact on either financial or supply accountability records. Since this use is contrary to DOD MILSTRAP policy, DLMSO took exception to this usage. MILSTRAP (DOD 4000.25-2-M) is the authoritative source for all D-series transactions and clearly defines DOD usage for the D6R as a receipt transaction.

i. The transactions used in the carcass tracking process are described below:

(1) BK1 is generated when no stock has arrived within allotted timeframe after receipt of A0_ or D7_ with an advice code indicating this material was needed to replace an unserviceable DLR. This transaction is looking for a D6R.

(2) BK2 is the response to the follow-up BK1 and will indicate whether or not the material was shipped, date shipped, where shipped, etc.

(a) BKA is the response to a BK2 indicating the BK2 was accepted.

(b) BKR, with a reject code, is sent when the BK2 response is rejected. Most common reason is that the BK2 document number did not match a record (document number on either requisition or issue transaction).

(3) BK3 is the second followup (already sent a BK1). This transaction contains two dates (current date and 30 day future date). If no reply (or invalid reply) is received, it is used to notify the customer that he will be charged an additional cost and as a notification to finance to trigger a new bill.

(4) BK4 comes from the ICP to the customer reversing the BK3.

(5) BK5 is a follow-up sent to the Hub looking for confirmation of receipt of a DLR. In this situation, the ICP received notification from the customer that material was shipped and 30 days has passed without notification of receipt by the Hub.

(6) BK6 is the hub's response to the BK5, e.g., never got it, do have it and in process, already processed D6_, etc.

j. Use of the BK_ series transactions for carcass tracking ends at the Hub.

2. WEB translator costs. The Navy's assessment of the cost of \$20 million dollars was discussed. Navy stated that the \$20 million figure addressed far more than just translation. It also included Navy system modification/reengineering required to take advantage of and use additional data which DLMS can provide, such as IUID. After a comprehensive review, the Naval Supply Systems Command identified 14 candidate applications for migration from DLSS to DLMS, not slated to be incorporated into their ERP. The target applications will be

viable beyond 2012. Additionally, each application was asked to develop an estimate for the migration to DLMS and the implementation of UID capabilities. Due to Logistics Functional Area Management (FAM) initiatives, Enterprise Resource Planning (ERP) scoping and in general the changing face of Navy Logistics, the mix of candidate applications for DLMS migration remains fluid. Further specific policy on the business use of UID capabilities is outstanding. In 2005, the Navy identified 37 applications as DLMS migration candidates. Functional Area Management, ERP and the Commander Naval Installations (CNI) initiatives are continuously driving changes to the list of candidates. All of these initiatives are focused on reducing the Navy's Logistics Information Technology footprint. In short, reducing the number of applications used to run the Navy's Logistics business offer many benefits and has the net result of reducing the number of applications needing to migrate from DLSS to DLMS.

3. Regarding DLMS compliance, DLMSO will formally engage with Navy regarding DLMS compliancy, but stands by the 2001 policy stating all transactions (intra and inter) shall become DLMS compliant.

4. RFID. Mr. Howland briefed a prototype test the Navy has completed called the Bangor RFID Evaluation briefing. In the course of the briefing, Mr. Howland stated that Navy is in compliance with active RFID and plans early implementation of passive RFID. Mr. Howland agreed to send an electronic copy of the briefing, along with the Final Report and Navy's implementation plan.

ACTIONS:

1. Navy will provide DLMSO a current edition of their DLMS Implementation plan.

Action: Mr. Minnick

2. DLMSO will initiate actions to map BK_ transactions to the new DLMS 856C per Navy request.

Action: DLMSO

3. DLMS Manual Updates:

a. Navy will provide DLMSO detailed explanation regarding their use of unique transactions for Navy carcass tracking for review and inclusion into the DLMS Manual.

Action: Navy

b. DLMSO to send example to Navy (Mr. O'Sullivan and Mr. Podlucky)

Action: DLMSO

4. More cleanup is required on Proposed DLMS Change (PDC) 206. DLMSO will redo and forward draft to Navy for comment prior to sending out officially. DLMSO needs to add a request for all Services to review the PDC for possible implementation, perhaps with addition of other Service uniques used in their processes, since all Services track DLRs.

Action: DLMSO/Ms. Meadows

5. Navy referred to initiatives focused on reducing their “logistics information technology footprint.” If this is documented, DLMSO requests a copy.

Action: Mr. O’Sullivan

6. DLMSO requested the Navy’s formats for:

a. 527 as used for D6R

b. 856S, Proof of Shipment (POS) indicating any DLMS enhancements which are used or added Navy uniques.

c. 861, Receipt at Transshipment Point

d. Navy’s D6R transaction

Along with an explanation of the usage of the above transactions, request Navy include clarification concerning Navy Proof of Shipment which seems to be mapped to both the 856S for Carcass Tracking and to the 945A for Commercial Asset Visibility (CAV).

Action: Mr. O’Sullivan and Mr. Podlucky

Upon completion of review of transaction formats, DLMSO will recommend how Navy can comply with established MILS/DLMS policy.

7. Regarding the internal Navy advice codes listed (the 5_ series...5G, 5R, 5S, 5V, 5Y, 52 and 56), request the Navy definition of each to be published in the PDC.

Action: Mr. Podlucky and Mr. O’Sullivan.

8. Mr. Nieves (Navy – Philadelphia) to send updated briefing charts, along with BK2 reason codes.

Action: NAVICP/Mr. Nieves.

Enclosure